

ST MERRYNS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

Company Registration No. 07808706 England and Wales

ST MERRYNS SCHOOL

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ST MERRYNS SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

JE Brewer (Chair)
SJ Cudmore (Accounting officer)
G Brewer (Resigned 8 December 2015)
LL Brewer
E Burnett (Resigned 31 August 2016)
SG Ibbotson
J-P Kuhnack-Richards (Resigned 8 December 2015)
JS Moyes (Resigned 11 January 2016)
NA Pendleton
S Simpson (Resigned 16 May 2016)
EM Trenouth
CA Willoughby (Resigned 1 September 2015)

Members

G Brewer
SJ Cudmore
JS Moyes (Resigned 18 January 2016)
NA Pendleton (Appointed 18 January 2016)

Senior management team

- Headteacher SJ Cudmore
- Deputy headteacher AJ Brook

Company secretary

V Worrall

Company registration number

07808706 (England and Wales)

Principal address

St Merryn
PADSTOW
Cornwall
PL28 8NP

Registered office

St Merryn
PADSTOW
Cornwall
PL28 8NP

Independent auditor

Robinson Reed Layton
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Bankers

National Westminster Bank plc (Newquay)
13 Bank Street
NEWQUAY
Cornwall
TR7 1GD

ST MERRYNS SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Cornwall Council Legal Services
Room 458
County Hall
TRURO
Cornwall
TR1 3AY

ST MERRYNS SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils aged 4 to 11 serving a catchment area in North Cornwall. It has a pupil capacity of 165 and had a roll of 152 in the school census in October 2016.

Structure, governance and management

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of St Merryn School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim.

Method of recruitment and appointment or election of trustees

The academy's governing body comprises the headteacher, a minimum of two parent trustees, any number of staff trustees (providing that the total number of trustees, including the headteacher, who are employees of the charitable company, does not exceed one third of the total number of trustees).

The charitable company shall have the following trustees as set out in its Articles of Association and funding agreement:

- up to 13 trustees who are appointed by members;
- up to 1 LA trustee who is appointed by the Local Authority;
- a minimum of 2 parent trustees who are elected by parents of registered pupils at the academy;
- any staff trustees appointed by the governing body;
- up to 3 co-opted trustees who are appointed by the governing body;
- the headteacher who is treated for all purposes as being an ex officio trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the headteacher. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the academy's development. The governing body has analysed its strengths and advertisement for new governors are structured around the weaker skills of the current governing body. We had no need to recruit governors in this year.

Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and are required to attend the new trustee training course provided by Cornwall Council.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

St Merryn School has followed the organisational structure laid down in the Articles of Association that were registered with Companies House on 13 October 2011.

The structure consists of three levels: the members, the trustees and the management team. The members of the charitable company comprise the signatories of the memorandum, including the chair of trustees. The members have defined the roles of the trustees. The members meet annually to hold an Annual General Meeting (AGM).

Trustees are also assigned specific areas of focus aligned to the management and administration of the charitable company, or specific teaching department links. The governing body committee operate in accordance with documented terms of reference.

Arrangements for setting pay and remuneration of key management personnel

We follow Cornwall Council's Pay Policy and have adopted the living wage. All pay increments and rises are done through performance management and then passed by the full governing body.

Related parties and other connected charities and organisations

No connected organisations as at 31 August 2016.

Related parties are as declared on the declaration of pecuniary interests and as published on the school website.

St Merryn Garage - Alison Brook
Paul Kirkby Emotive Picture - Sarah Cudmore
PVH Computers - Jamie Moyes

Related party transactions are detailed in Note 24 to the accounts.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom by maintaining, managing and developing a school offering a broad and balanced curriculum.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

The charitable company's main strategy is encompassed in its mission statement which is 'Bright Futures Built on Firm Foundations.'

The key objectives of the school are:-

- to improve attainment and progress for all pupils in all subjects;
- to improve educational opportunities for all pupils in all subjects;
- to improve the quality of the learning experience for all pupils in all subjects; and
- to assist and work in partnership with parents and carers to improve their child's spiritual, moral, social and cultural development.

The key aims are:-

The trustees intention is that every child takes some responsibility for their own learning and has the opportunity to experience success and self-esteem.

In particular:

- is able to communicate effectively in English and another language (read, write, listen and speak);
- can use and understand mathematics;
- knows how to seek, organise and use information (from books and information technology); and
- acquires a level of knowledge and understanding of the world with science and technology, it's history and geography, economics and industry, literature, religions and cultural diversity, and socio-political and environmental issues.

The trustees also hope to have:

- developed manipulative, sporting, scientific, technical and other physical skills and practical abilities;
- encouraged the use of creativity and imagination and enhanced aesthetic and spiritual awareness;
- encouraged pupils to observe, to enquire, to apply skills and knowledge, to solve problems and to exercise judgement in decision making;
- made school an enjoyable and safe place to be; and
- widened interest through a programme of extra-curricular activities.

It is equally important that the trustees help parents to ensure their child:

- is happy;
- can work well with others;
- takes pride in their work, listens and is honest;
- is polite, reliable, adaptable and persevering;
- is tolerant of, and respects, other views and ways of life; and
- takes care of the environment and abides by the rules governing our community.

To make these aims a reality the trustees:

- seek to work with parents to ensure the best for their children and encourage parents to support the school in this endeavour;
- make sure children are cared for;
- deliver a broad and balanced curriculum that develops children's interests and strengths;
- offer a wide range of clubs and out of school activities to enrich pupil development;
- provide advice; and
- engage pupils in discussion about moral and ethical issues, both formally and also informally within subject settings.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

SCHOOL IMPROVEMENT PLAN 2015-16

1	To raise attainment in writing across the school specifically around SPaG	To raise attainment in maths through rigorous intervention, monitoring and tracking	To continue to improve the quality of teaching and learning to achieve outstanding	To ensure new curriculum levels meet the requirements of the National Curriculum and Ofsted best practice
2	To review and explore new collaborations for the school	To develop outstanding provision in EYFS	To ensure pupil premium and other funding demonstrates both value for money and impact and outcome	To continue to improve reading attainment across the school

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

End of 2015-16 assessment data				
EYFS GLD	74%			
	National 69%			
	Cornwall 67%			
Phonics screen	87%			
	Read	Writing	Maths	Combined (R,W,M)
KS1 SATs	71%	71%	64%	n/a
KS2 SATs	80%	53%	80%	53%
National	66%	74%	70%	53%
Average standardised score	104.2		103.2	102.9
Higher level of attainment	20%	13%	13%	

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The charitable company's accounting period is the year to 31 August 2016.

Most of the charitable company's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2016, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the EFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

Building work carried out in Summer 2015 was completed within this financial year.

Nursery gardens were completed with additional funding through Award for All grant.

At the end of 2016 unexpected expenditure was spent in order to prepare the school for the new classroom due to be completed at the beginning of the new year, which was then delayed until November 2016.

Reserves policy

St Merryn School trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of St Merryn School and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for St Merryn School. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the St Merryn School finance committee.

The trustees consider the financial year end position of £993,770 (2015: £1,118,093) comprising £1,011,162 (2015: £1,016,457) of restricted fixed asset funds, £(167,000) (2015: £(18,201)) of restricted funds and £149,608 (2015: £119,837) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(167,000) (2015: £(58,000)) and general restricted funds of £nil (2015: £39,799).

The level of free reserves held by the charitable company are £149,608 (2015: £119,837).

The reserves policy is to retain a small reserve to cover any emergency requirements as the annual budget will as far as possible be used to benefit the children in that financial year. The trustees are happy that the level of free reserves held complies with this policy.

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The charitable company has entered into an agreement with the LGPS trustees to make additional annual contributions of £1,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Investment policy and powers

The trustees of St Merryn School are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation. The trustees agreed to keep the current decision the same as last year where a lump sum was put in a high interest account as the trustees were unsure when this might be needed for the new classroom. The rest remains within a current account.

Principal risks and uncertainties

The trustees use a number of charitable company policies, including health and safety, finance, safeguarding and a risk register to evaluate strategic and reputational, operational, compliance and financial risks. They have ensured that the management structure, systems and controls are in place to manage those risks, as well as insurance to cover financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the period, and are satisfied with the overall assessment.

The governing body ensure regular review of risks through the reporting provided by the management team to the aforementioned governing body.

The principal risk facing the charitable company is the future level of government funding. This risk is managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year. The trustees have also self-assessed financial and governance arrangements by completing the Academies Financial Management and Governance Evaluation which was submitted to the Education Funding Agency during the period, and are satisfied with the overall assessment.

Plans for future periods

To have outstanding leadership on all levels, ensuring pupils are well equipped for the next stage of their education	To ensure that all pupils know how to keep safe and show resilience and aspirations in their learning	Learning and achievement is outstanding across the curriculum	To ensure that all groups of pupils make more than expected progress and ready for the next phase in their learning	EYFS is an outstanding experience of opportunity that ensures all pupils reach their full potential as lifelong learners
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And in addition

- Improve the quality of Teaching and Learning to outstanding for all, use of observations to highlight good practice and mentor one another.
- To ensure the use of external funding demonstrates good value for money, pupil premium money spent on children to improve literacy through library/peer tutor reading activities, Rwi and high quality small group intervention.
- Enhance teaching and Learning across all areas of the curriculum through the use of portal and mobile technology. Using staff meetings to promote ICT across the curriculum through high quality in house training.
- To create a school curriculum focused on widening understanding and awareness of our locality mainly through food. To make sure that the new kitchen enables pupils to cook alongside the chef and know about food from farm to fork!

From 1 September 2016, the academy has ceased to trade with its assets and liabilities transferring to The Learning Academy Trust.

ST MERRYNS SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30 November 2016 and signed on its behalf by:

JE Brewer

Chair

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that St Merryn School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Merryn School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 10 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
JE Brewer (Chair)	9	10
SJ Cudmore (Accounting officer)	10	10
G Brewer (Resigned 8 December 2015)	2	3
LL Brewer	6	10
E Burnett (Resigned 31 August 2016)	10	10
SG Ibbotson	10	10
J-P Kuhnzack-Richards (Resigned 8 December 2015)	1	3
JS Moyes (Resigned 11 January 2016)	3	6
NA Pendleton	9	10
S Simpson (Resigned 16 May 2016)	6	8
EM Trenouth	9	10
CA Willoughby (Resigned 1 September 2015)	0	0

We self evaluate governor key skills throughout the year so we can ensure that any future appointments cover any key skills not currently within the school. We agreed to make the governing body slightly smaller to enable a higher quality of dialogue and involvement within governor meetings and therefore no appointments were made to replace people leaving. We were also aware we were looking to join a MAT and wouldn't need such a large governing body.

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year by:

Improving educational results

I set out below how I have ensured that the Academy Trusts use of its resources has provided good value for money during the academic year.

The academy has a rigorous system of tracking student progress and achievement, with underachievement identified early and appropriate interventions put in place. The academy operates an extensive programme of lesson observations, learning walks and evaluation of lessons by teaching staff and Senior Leaders. Relevant and timely action is taken to ensure any weaknesses observed are addressed appropriately.

Financial Governance and Oversight

Financial governance and oversight is strong. We purchase an SLA with Bodmin College who has a qualified accountant, although this only lasted part way through the year. This was then replaced by advice and visits from TLAT finance staff. We have experienced governors on our governing board. In addition financial assurance is further informed by quarterly Responsible Officer reports and visits from TLAT staff.

The Governing Body approves the budget, following detailed scrutiny by the Full Governing Body.

The Governing Body meets half termly where they receive and review the budget monitoring report. In addition governors will consider and approve larger expenditure items and compliance with the Academy Trusts tender arrangements.

The Full Governing Body receives and approves the annual financial statements and the external auditor's management letter.

Better Purchasing

The academy promotes fair competition through quotations and tenders, in accordance with its financial Regulations, to ensure that goods and services are procured in an economic and effective way.

The academy reviews its main service contracts on an annual basis to ensure that they are still fit for purpose and the best value for the school.

The Head Teacher reviews and signs all purchase orders on behalf of the academy and regularly challenges these for economy and effectiveness.

Maximising Income Generation

The academy explores every opportunity to generate income via the hiring of our facilities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Merryn School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

ST MERRYNS SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the full governing body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees appointed J Brinson, Bodmin College, as responsible officer (RO). Unfortunately Bodmin College informed the academy that they could not fulfil the contract from March 2016. As the academy were in consultation to join TLAT the governors agreed not to replace the RO as the TLAT accountants were overseeing our finances, leading up to us joining the multi academy trust.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the RO and TLAT finance staff;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 30 November 2016 and signed on its behalf by:

JE Brewer
Chair

SJ Cudmore
Accounting officer

ST MERRYNS SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of St Merryn School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

Approved on 30 November 2016 and signed by:

SJ Cudmore
Accounting Officer

ST MERRYNS SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for St Merryn School and are also the directors of St Merryn School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 30 November 2016 and signed on its behalf by:

JE Brewer
Chair

ST MERRYNS SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST MERRYNS SCHOOL

We have audited the accounts of St Merryn School for the year ended 31 August 2016 set out on pages 19 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of St Merryn School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

ST MERRYNS SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST MERRYNS SCHOOL (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Williams (Senior Statutory Auditor)
for and on behalf of Robinson Reed Layton

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 8 December 2016

ST MERRYN SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MERRYN SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Merryn School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Merryn School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Merryn School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Merryn School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Merryn School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Merryn School's funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

ST MERRYNS SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MERRYNS SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Williams

Reporting Accountant

Robinson Reed Layton

Dated: 08 December 2016

ST MERRYNS SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	5,015	-	15,391	20,406	147,578
Charitable activities:						
- Funding for educational operations	3	55,233	566,251	-	621,484	578,430
Other trading activities	4	10	-	-	10	-
Investments	5	45	-	-	45	110
Total income and endowments		<u>60,303</u>	<u>566,251</u>	<u>15,391</u>	<u>641,945</u>	<u>726,118</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	9,625	620,136	39,507	669,268	606,811
Total expenditure	6	<u>9,625</u>	<u>620,136</u>	<u>39,507</u>	<u>669,268</u>	<u>606,811</u>
Net income/(expenditure)		50,678	(53,885)	(24,116)	(27,323)	119,307
Transfers between funds		(20,907)	2,086	18,821	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(97,000)	-	(97,000)	3,000
Net movement in funds		29,771	(148,799)	(5,295)	(124,323)	122,307
Reconciliation of funds						
Total funds brought forward		119,837	(18,201)	1,016,457	1,118,093	995,786
Total funds carried forward		<u>149,608</u>	<u>(167,000)</u>	<u>1,011,162</u>	<u>993,770</u>	<u>1,118,093</u>

ST MERRYNS SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£	£	£	£
Income and endowments from:					
Donations and capital grants	2	3,901	-	143,677	147,578
Charitable activities:					
- Funding for educational operations	3	42,222	536,208	-	578,430
Investments	5	110	-	-	110
Total income and endowments		<u>46,233</u>	<u>536,208</u>	<u>143,677</u>	<u>726,118</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	569,937	36,874	606,811
Total expenditure	6	<u>-</u>	<u>569,937</u>	<u>36,874</u>	<u>606,811</u>
Net income/(expenditure)		46,233	(33,729)	106,803	119,307
Transfers between funds		(17,431)	9,434	7,997	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	3,000	-	3,000
Net movement in funds		<u>28,802</u>	<u>(21,295)</u>	<u>114,800</u>	<u>122,307</u>
Reconciliation of funds					
Total funds brought forward		<u>91,035</u>	<u>3,094</u>	<u>901,657</u>	<u>995,786</u>
Total funds carried forward		<u>119,837</u>	<u>(18,201)</u>	<u>1,016,457</u>	<u>1,118,093</u>

ST MERRYNS SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,007,234		1,007,310
Current assets					
Stocks	12	1,305		1,409	
Debtors	13	22,705		26,228	
Cash at bank and in hand		173,450		220,214	
		<u>197,460</u>		<u>247,851</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(43,924)		(79,068)	
Net current assets			153,536		168,783
Net assets excluding pension liability			<u>1,160,770</u>		<u>1,176,093</u>
Defined benefit pension liability	18		(167,000)		(58,000)
Net assets			<u>993,770</u>		<u>1,118,093</u>
Funds of the academy:					
Restricted funds	16				
- Fixed asset funds			1,011,162		1,016,457
- Restricted income funds			-		39,799
- Pension reserve			(167,000)		(58,000)
Total restricted funds			<u>844,162</u>		<u>998,256</u>
Unrestricted income funds	16		149,608		119,837
Total funds			<u>993,770</u>		<u>1,118,093</u>

The accounts set out on pages 19 to 38 were approved by the board of trustees and authorised for issue on 30 November 2016 and are signed on its behalf by:

JE Brewer
Chair

Company Number 07808706

ST MERRYNS SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(22,769)		51,696
Cash flows from investing activities					
Dividends, interest and rents from investments		45		110	
Capital grants from DfE and EFA		5,391		143,677	
Capital funding from sponsors and others		10,000		-	
Payments to acquire tangible fixed assets		(39,431)		(213,792)	
			(23,995)		(70,005)
Change in cash and cash equivalents in the reporting period					
			(46,764)		(18,309)
Cash and cash equivalents at 1 September 2015			220,214		238,523
Cash and cash equivalents at 31 August 2016			<u>173,450</u>		<u>220,214</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Merryn School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of St Merryn School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

The company ceased to trade on 1 September 2016. See note 21 for details.

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

Governance costs

These include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land & buildings	2% per annum on cost
Computer equipment	33% per annum on cost
Furniture & equipment	20% per annum on cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

1.12 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	5,391	5,391	143,677
Other donations	5,015	10,000	15,015	3,901
	<u>5,015</u>	<u>15,391</u>	<u>20,406</u>	<u>147,578</u>

3 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	459,896	459,896	433,246
Other DfE / EFA grants	-	48,037	48,037	47,204
	<u>-</u>	<u>507,933</u>	<u>507,933</u>	<u>480,450</u>
Other government grants				
Local authority grants	-	56,718	56,718	55,758
Special educational projects	-	1,600	1,600	-
	<u>-</u>	<u>58,318</u>	<u>58,318</u>	<u>55,758</u>
Other funds				
Other incoming resources	55,233	-	55,233	42,222
	<u>55,233</u>	<u>-</u>	<u>55,233</u>	<u>42,222</u>
Total funding	<u>55,233</u>	<u>566,251</u>	<u>621,484</u>	<u>578,430</u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	10	-	10	-

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	45	-	45	110

6 Expenditure

	Staff costs £	Premises costs £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	365,404	-	54,994	420,398	380,229
- Allocated support costs	75,334	80,586	92,950	248,870	226,582
	440,738	80,586	147,944	669,268	606,811
Total expenditure	440,738	80,586	147,944	669,268	606,811

	2016 £	2015 £
Net income/(expenditure) for the year includes:		
Fees payable to auditor for:		
- Audit	2,000	1,700
- Other services	2,575	2,750
Operating lease rentals	-	396
Depreciation of tangible fixed assets	39,507	36,874

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	2,633	417,765	420,398	380,229
Support costs - educational operations	6,992	241,878	248,870	226,582
	9,625	659,643	669,268	606,811
			2016 £	2015 £

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities (Continued)

Analysis of support costs

Support staff costs	75,334	67,526
Depreciation and amortisation	39,507	36,874
Technology costs	11,301	8,013
Premises costs	64,012	38,023
Other support costs	56,266	74,446
Governance costs	2,450	1,700
	<u>248,870</u>	<u>226,582</u>

8 Staff costs

	2016 £	2015 £
Wages and salaries	334,912	313,084
Social security costs	17,966	17,905
Operating costs of defined benefit pension schemes	69,409	58,378
	<u>422,287</u>	<u>389,367</u>
Staff costs		
Supply staff costs	15,330	13,741
Staff development and other staff costs	3,121	4,777
	<u>18,451</u>	<u>18,518</u>
Total staff expenditure	<u>440,738</u>	<u>407,885</u>

Staff numbers

The average number of persons employed by the academy during the year was as follows:

	2016 Number	2015 Number
Teachers	6	6
Administration and support	11	12
Management	2	2
	<u>19</u>	<u>20</u>

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £100,168 (2015: £98,324).

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

SJ Cudmore (headteacher):

- Remuneration £40,000 - £45,000 (2015: £40,000 -£45,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

SG Ibbotson (staff):

- Remuneration £5,000 - £10,000 (2015: £10,000 - £15,000)
- Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

E Burnett (staff):

- Remuneration £25,000 - £30,000 (2015: £5,000 - £10,000)
- Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000)

During the year, travel and subsistence payments totalling £Nil (2015: £Nil) were reimbursed or paid directly to no trustees (2015: no trustees).

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £230 (2015: £253).

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land & buildings £	Computer equipment £	Furniture & equipment £	Total £
Cost				
At 1 September 2015	1,027,034	45,101	49,019	1,121,154
Additions	21,483	-	17,948	39,431
At 31 August 2016	1,048,517	45,101	66,967	1,160,585
Depreciation				
At 1 September 2015	62,586	39,166	12,092	113,844
Charge for the year	20,970	5,144	13,393	39,507
At 31 August 2016	83,556	44,310	25,485	153,351
Net book value				
At 31 August 2016	964,961	791	41,482	1,007,234
At 31 August 2015	964,448	5,935	36,927	1,007,310

12 Stocks

	2016 £	2015 £
School uniform	548	928
Catering stock	757	481
	1,305	1,409

13 Debtors

	2016 £	2015 £
VAT recoverable	8,280	14,237
Other debtors	4,787	354
Prepayments and accrued income	9,638	11,637
	22,705	26,228

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,511	2,205
Other taxation and social security	14,158	12,487
Accruals and deferred income	22,255	64,376
	43,924	79,068

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	12,619	14,409
Deferred income at 1 September 2015	14,409	14,628
Released from previous years	(14,409)	(14,628)
Amounts deferred in the year	12,619	14,409
Deferred income at 31 August 2016	12,619	14,409

At the balance sheet date the academy was holding funds received in advance for Universal Infant Free School Meals for the academic year 16/17.

16 Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	39,799	459,896	(501,781)	2,086	-
Other DfE / EFA grants	-	48,037	(48,037)	-	-
Other government grants	-	58,318	(58,318)	-	-
Funds excluding pensions	39,799	566,251	(608,136)	2,086	-
Pension reserve	(58,000)	-	(12,000)	(97,000)	(167,000)
	(18,201)	566,251	(620,136)	(94,914)	(167,000)
Restricted fixed asset funds					
DfE / EFA capital grants	410,515	5,391	(16,340)	-	399,566
Inherited funds	569,583	-	(12,338)	-	557,245
Capital expenditure from GAG	36,359	-	(8,829)	18,821	46,351
Private sector capital sponsorship	-	10,000	(2,000)	-	8,000
	1,016,457	15,391	(39,507)	18,821	1,011,162
Total restricted funds	998,256	581,642	(659,643)	(76,093)	844,162
Unrestricted funds					
General funds	119,837	60,303	(9,625)	(20,907)	149,608
Total funds	1,118,093	641,945	(669,268)	(97,000)	993,770

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds - The restricted general fund includes grants receivable from the Education Funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

Restricted fixed asset funds - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to St Merryn School on 1 November 2011 and Education Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,007,234	1,007,234
Current assets	193,532	-	3,928	197,460
Creditors falling due within one year	(43,924)	-	-	(43,924)
Defined benefit pension liability	-	(167,000)	-	(167,000)
	<u>149,608</u>	<u>(167,000)</u>	<u>1,011,162</u>	<u>993,770</u>

18 Pensions and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £7,459 (2015: £6,808) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £34,993 (2015: £28,029).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.2% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £28,000.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £1,100 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations (Continued)

Total contributions made	2016 £	2015 £
Employer's contributions	28,000	24,000
Employees' contributions	8,000	7,000
	<u> </u>	<u> </u>
Total contributions	36,000	31,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70
	<u> </u>	<u> </u>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2016:

0.5% decrease in Real Discount Rate - 15% approximate increase to Employer Liability equating to approximately £62,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £12,000.

0.5% increase in the Salary Increase Rate - 6% approximate increase to Employer Liability equating to approximately £23,000.

0.5% increase in the Pension Increase Rate - 9% approximate increase to Employer Liability equating to approximately £37,000.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2016 Years	2015 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8
	<u> </u>	<u> </u>

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations	(Continued)	
The academy's share of the assets in the scheme	2016	2015
	Fair value	Fair value
	£	£
Equities	112,000	73,000
Bonds	100,000	88,000
Property	16,000	12,000
Other assets	5,000	4,000
	<u>233,000</u>	<u>177,000</u>
Actual return on scheme assets - gain/(loss)	<u>20,000</u>	<u>5,000</u>
Amounts recognised in the statement of financial activities	2016	2015
	£	£
Current service cost (net of employee contributions)	37,000	33,000
Net interest cost	<u>3,000</u>	<u>2,000</u>
Changes in the present value of defined benefit obligations		2016
		£
Obligations at 1 September 2015		235,000
Current service cost		37,000
Interest cost		10,000
Employee contributions		8,000
Actuarial loss		110,000
		<u>400,000</u>
At 31 August 2016		<u>400,000</u>
Changes in the fair value of the academy's share of scheme assets		2016
		£
Assets at 1 September 2015		177,000
Interest income		7,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		13,000
Employer contributions		28,000
Employee contributions		8,000
		<u>233,000</u>
At 31 August 2016		<u>233,000</u>

ST MERRYN SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Reconciliation of net income/(expenditure) to net cash flows from operating activities	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(27,323)	119,307
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(15,391)	(143,677)
Investment income	(45)	(110)
Defined benefit pension costs less contributions payable	9,000	9,000
Defined benefit pension net finance cost/(income)	3,000	2,000
Depreciation of tangible fixed assets	39,507	36,874
(Increase)/decrease in stocks	104	(933)
(Increase)/decrease in debtors	3,523	11,493
Increase/(decrease) in creditors	(35,144)	17,742
Net cash used in operating activities	<u>(22,769)</u>	<u>51,696</u>

20 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

St Merryn Garage - transactions of £106 (2015: £Nil) took place during the year with St Merryn Garage which is owned by the father of A Brook in relation to purchases of supplies. £Nil (2015: £Nil) was outstanding at year end. In entering into the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

R Mitchell - transactions of £Nil (2015: £1,125) took place during the year for education consultancy work provided by R Mitchell, father to E Cudmore. £Nil (2015: £Nil) was outstanding at the year end. In entering into the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

P Kirkby - transactions of £Nil (2015: £241) took place during the year for photography work provided by P Kirkby, father to S Cudmore. £Nil (2015: £Nil) was outstanding at the year end. In entering into the transaction the academy trust has complied with the requirements of the EFA's Academies Financial Handbook.

21 Post balance sheet events

On 1 September 2016 the charitable company's operations, as well as its assets and liabilities were transferred to The Learning Academy Trust.

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

ST MERRYNS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	995,786	1,118,093
Change in recognition of LGPS interest cost	23 -	-

Reconciliation of net income for the previous financial period

		2015 £
Net income as reported under previous UK GAAP and under FRS 102		122,307
Change in recognition of LGPS interest cost	23	-

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £2,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.